

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6448

BILL NUMBER: HB 1038

NOTE PREPARED: Dec 9, 2010

BILL AMENDED:

SUBJECT: Industrial Development Fund.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the Industrial Development Fund may accept gifts, grants, and other donations.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The Indiana Economic Development Corporation (IEDC) and the State Board of Finance administer the Industrial Development Fund. There should be no impact on state expenditures because the costs associated with administering the Industrial Development Fund are paid from the fund.

Explanation of State Revenues: Summary - This bill will allow gifts, grants, and other donations to be deposited in the Industrial Development Fund. As of December 6, 2010, the Industrial Development Fund had a balance of \$2.7 M. According to the IEDC, these funds are encumbered by existing loans.

Background Information - The Industrial Development Fund is a revolving fund that does not revert to the General Fund. Nonreverting amounts are limited to \$2 M. Outstanding loans to a single development program can not exceed \$1 M. Currently, the fund consists of General Assembly appropriations and loan repayments.

The Industrial Development Fund provides loans to a city, a town, an economic development commission, or a special taxing district undertaking an industrial development program. Programs must be designed to benefit Indiana, and they include the construction of airports, airport facilities, and tourist attractions;

construction, extension, or completion of sewer lines, water lines, streets, sidewalks, bridges, roads, highways, public ways, and information and high technology infrastructure; leasing or purchase of property, both real and personal; and the preparation of surveys, plans, and specifications for the construction of publicly owned and operated facilities, utilities, and services.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC; State Board of Finance.

Local Agencies Affected:

Information Sources: Auditor's Data; Eric Shields, IEDC, 317-234-3997.

Fiscal Analyst: Jessica Harmon, 317-232-9854.